GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4944
ANSWERED ON:16.12.2016
Early Warning System to Detect Fraud
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Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government has devised an early identification and pre-intimation/ warning system to detect fraud in the country;

(b) if so, the details thereof along with the effectiveness of this system;

(c) whether any scheme exists facilitating rehabilitation/compensation to the affected people/victims of such fraudulent companies; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE (SHRI ARJUN RAM MEGHWAL)
MINISTRY OF CORPORATE AFFAIRS

(a) & (b): Serious Fraud Investigation Office (SFIO) of this Ministry is in the process of developing 'Early Warning System' (EWS) for early identification and pre-intimation/ warning system to detect financial frauds in the country. For this purpose, services of a consulting agency have been engaged to develop the conceptual framework. The development of EWS is an iterative process. The system will show results after the framework under development stabilises.

(c) & (d): There is no scheme in existence for facilitating rehabilitation/ compensation to the affected people/ victims under the provisions of Companies Act, 2013.

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